

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond and
Robert G. Taub

Market Dominant Product Prices
Bilateral Agreement between United States Postal
Service and Singapore Post Limited as (MC2010-35)
Negotiated Service Agreement

Docket No. R2013-5

NOTICE AND ORDER CONCERNING BILATERAL AGREEMENT WITH
SINGAPORE POST LIMITED NEGOTIATED SERVICE AGREEMENT

(Issued December 6, 2012)

I. INTRODUCTION

Background. On December 4, 2012, the Postal Service filed notice, pursuant to 39 CFR 3010.40 *et seq.*, announcing that it has entered into a modification of an existing bilateral agreement (Modified Agreement) for inbound market dominant services with Singapore Post Limited (Singapore Post).¹ It asks that the Commission include the Modified Agreement within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product.

Contract history and scope. The Modified Agreement revises the existing Singapore Post Agreement (Original Agreement), filed in Docket No. R2012-1, which

¹ Notice of the United States Postal Service of Filing Additional Functionally Equivalent Agreement, December 4, 2012 (Notice).

was included within Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 by operation of Order No. 995. *Id.* at 1. The modification extends the Original Agreement until June 30, 2013. *Id.*

Applicable rules. Subpart D of 39 CFR 3010 addresses rate adjustments for negotiated service agreements (Type 2 adjustments). The rules in this subpart specify, among other things, the scope and nature of the data, information, and explanations the Postal Service is to provide in a notice of Type 2 rate adjustment; the action the Commission is to take upon receipt of such Notice; and the nature of Commission review. See 39 CFR 3010.42 through 3010.44.

II. NOTICE OF FILING

Compliance with filing requirements. The Postal Service's filing consists of the Notice, three attachments, and a public Excel file. Attachment 1 to the Notice is an application for non-public treatment of material filed under seal with the Commission (Application).² This material consists of the unredacted text of the Agreement and unredacted supporting financial documentation. *Id.* at 3. Attachment 2 is a copy of the Modified Agreement. *Id.* at 2. Attachment 3 is a redacted copy of the Original Agreement from Docket No. R2012-1. *Id.* at 2-3. The public Excel file is a redacted version of the supporting financial documentation. *Id.* at 3.

The Postal Service identifies January 18, 2013 as the effective date of the Modified Agreement; asserts that the requisite 45 days' advance notice is being provided; and identifies a Postal Service official as a contact for further information. *Id.* at 3-4.³ It identifies the parties to the Agreement as the United States Postal Service and Singapore Post Limited, the postal operator for Singapore. *Id.* at 4. It states that the Modified Agreement includes delivery confirmation scanning for Letter Post small

² The Application was filed pursuant to 39 CFR 3007.21. See *Id.* at 7.

³ In a related filing in Docket No. R2012-1, the Postal Service seeks a brief extension of the Original Agreement. See Docket No. R2012-1, Motion of the United States Postal Service for Temporary Relief, December 4, 2012.

packets, a service established by the China Post 2010 Agreement, the Hongkong Post Agreement, and China Post 2011 Agreements. *Id.*

The Postal Service states that information about expected financial improvements, costs, volumes, and revenues in financial workpapers has been filed with the Commission under seal. *Id.* at 5. Because the Modified Agreement involves only term extension, and therefore no relevant material change, the Postal Service incorporates by reference portions of its original notice⁴ (in Docket No. R2012-1), addressing, as required by 39 CFR 2010.41(d), components expected to enhance performance and, as required by 39 CFR 2010.41(e), reasons why the Modified Agreement will not result in unreasonable harm to the marketplace. Notice at 5.

Rule 3010.43—data collection plan. Rule 3010.43 requires the Postal Service to submit a detailed data collection plan. The Postal Service asks that the Commission except the Modified Agreement from the separate performance reporting requirement under 39 CFR 3055.3(a)(3), based on reasons described in the Docket No. R2012-1 Notice. *Id.* at 6; *see also* Docket No. R2012-1 Notice at 5-6.

Consistency with applicable statutory criteria. The Postal Service notes that in the Original Agreement, the Commission held that the criteria set forth in 39 U.S.C. 3622(c)(10) had been met. It asserts that because the Modified Agreement does not materially change any relevant terms of the Original Agreement, the statutory criteria continue to be met. Notice at 6.

Similarly, the Postal Service asserts the Modified Agreement does not materially change any relevant terms of the Original Agreement and should therefore be deemed functionally equivalent. *Id.* at 7.

III. NOTICE OF PROCEEDING

The Commission, in conformance with rule 3010.44, hereby establishes Docket No. R2013-5 to consider issues raised by the Notice. The Commission invites public

comments on whether the Postal Service's filing in the captioned docket is consistent with the policies of 39 U.S.C. 3622 and 39 CFR part 3010.40. Comments are due no later than December 17, 2012.⁵

The public portions of the Postal Service's filing have been posted on the Commission's website. They can be accessed at <http://www.prc.gov>. Information on how to obtain access to non-public material is available at 39 CFR 3007.40.

The Commission appoints Allison J. Levy to serve as Public Representative in this docket.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. R2013-5 to consider matters raised by the Notice of United States Postal Service of Filing Additional Functionally Equivalent Agreement, filed December 4, 2012.
2. Pursuant to 39 U.S.C. 505, Allison J. Levy is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
3. Comments by interested persons in this proceeding are due no later than December 17, 2012.

⁴ Docket No. R2012-1, Notice of United States Postal Service of Type 2 Rate Adjustment and Notice of Filing Functionally Equivalent Agreement, October 14, 2011, at 4-7 (Docket No. R2012-1 Notice).

⁵ To provide sufficient time for interested persons to comment in these proceedings, the Commission finds it appropriate to waive the 10-day comment period specified in 39 CFR 3010.44(a)(5). The modest extension will not prejudice either party to the agreement, given that 45 days' advance notice is provided.

4. The Secretary shall arrange for publication of this order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary